

# Community Natural Gas Co., Inc.

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November 4, 2004

Ms. Kristina Kern Wheeler  
Office of the General Counsel  
Indiana Utility Regulatory Commission  
302 W. Washington St., Room E306  
Indianapolis, IN 46204

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Re: IURC Rulemaking No. 04-02

INDIANA UTILITY REGULATORY COMMISSION  
ELECTRICITY DIVISION

Dear Ms. Wheeler:

Community Natural Gas Co., Inc. would like to offer the following comments on the recent proposed rulemaking. We are a small company of about 6,900 customers. We are located in 4 separate rural areas. We have an office with a customer service representative in each office in 3 of these areas. The fourth area is served by a serviceman out of his house. We have a total of 16 employees, of which 10 are strictly servicemen.

At the hearing on Sept 22<sup>nd</sup>, the IEA advocated an exemption for LDC's with less than 50,000 customers. We agree. Many of the rules involving changing how interest is calculated, timing of deposit refunds, etc. would require major program changes to our computer software as the current system which was new in 2002 does not allow for these changes. The cost could prove to be burdensome on these 6,900 customers.

Being a small company serving small towns, we believe we are very good at knowing our customers. We give the customers the benefit of the doubt until they prove otherwise. New customers who can easily give us a credit reference from another utility are not required to pay a deposit. Therefore, the only customers who pay deposits are those who have no payment history or customers who have bad credit histories. At the hearing on Sept. 22<sup>nd</sup>, customers were advocating a one month deposit. This will be a detriment to both our company and to our customers. I can see a couple of consequences to a one month deposit.

- 1) Our bad debts will increase. By the time a customer comes on, gets their first bill, misses a payment, receives a 14 day-notice for shut-off and then gets shut off for non-payment, 75 days have passed. That leaves 1 ½ months of usage not covered by a deposit. Our other good paying customers will eventually have to pay for this.
- 2) We believe we would lose the flexibility to work with customers because of this. We would have very little incentive to work with the customer if we knew we were unprotected during that time period.

We believe a 3 month deposit is very reasonable.

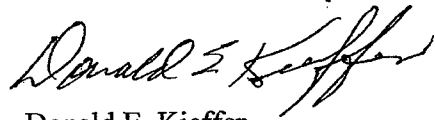
In regards to payment arrangements and reconnections, we believe that being part of a small company gives us an advantage in working with our customers. Like I mentioned earlier, we do work with customers who fall behind and also with customers

*Our Service Makes Warm Friends*

who get shut off. If a customer has not broken payment agreements in the past, we are very willing to work with them. I believe that many of the proposed rules cater to the customers who are unwilling to work with us.

Finally, we receive few complaints on these issues. If our customer service representatives are unable to satisfy the customer, they give my name to the customer. I am then able to evaluate whether the rep has handled things fairly and can relay that directly to the customer. We believe that we have a good relationship with our customers under the current rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald E. Kieffer". The signature is fluid and cursive, with a large, stylized initial "D".

Donald E. Kieffer  
President